

1 July 2014

Market Announcements Office
ASX Limited

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT FOR BETASHARES GOLD BULLION ETF-CURRENCY HEDGED

BetaShares Capital Ltd ("BetaShares"), the issuer of BetaShares Gold Bullion ETF-Currency Hedged (ASX code: QAU), an exchange traded fund quoted on the AQUA Market of ASX (the "Fund"), announces that it has today issued a supplementary product disclosure statement ("SPDS") in respect of the Fund.

The purpose of issuing the SPDS is:

- To make the minor changes to the prescribed wording in the table of fees and costs, example of annual fees and costs and the consumer warning which are required by the Superannuation Legislation Amendment (MySuper Measures) Regulation 2013. Please note the changes are cosmetic and the fees themselves are unchanged.
- To include disclosure about the U.S. Foreign Account Tax Compliance Act (FATCA).

All features of the Fund are unchanged.

A copy of the SPDS is attached and is also available at www.betashares.com.au.

IMPORTANT INFORMATION: This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("BetaShares") the issuer of the exchange traded fund ("Fund"). It is general information only and does not take into account any person's objectives, financial situation or needs. The information does not constitute an offer of, or an invitation to purchase or subscribe for securities. You should read the PDS and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding the Fund. For a copy of the PDS and more information about the Fund go to www.betashares.com.au or call 1300 487 577.

Units in the Fund trade on the ASX at market prices, not at NAV. An investment in the Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither BetaShares Capital Ltd nor BetaShares Holdings Pty Ltd guarantees the performance of the Fund or the repayment of capital or any particular rate of return. Past performance is not an indication of future performance. BetaShares® and Back Your View® are registered trademarks of BetaShares Holdings Pty Ltd.

BETASHARES GOLD BULLION ETF-CURRENCY HEDGED

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 1 JULY 2014
ARSN: 150 081 851
ASX CODE: QAU
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This supplementary product disclosure statement ("SPDS") is supplemental to the BetaShares Gold Bullion ETF-Currency Hedged product disclosure statement dated 2 April 2012, as updated by the first supplementary product disclosure statement dated 7 August 2013 ("PDS"). The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 1 July 2014. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meanings when used in this SPDS.

The purpose of this SPDS is to update the PDS as follows:

FEES AND OTHER COSTS

The *Superannuation Legislation Amendment (MySuper Measures) Regulation 2013*, which was introduced on 28 June 2014, made some minor amendments to the fee disclosure regulations in Schedule 10 of the *Corporations Regulations 2001*, including a modified fee template, example and warning.

As a consequence, the PDS is amended as follows:

1. By deleting the consumer advisory warning above section 4.1 and replacing it with the following:

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

2. By deleting section 4.1 and replacing it with the following:

4.1 FEES AND COSTS

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TABLE 4.1: TABLE OF FEES OR COSTS

BETASHARES GOLD BULLION ETF-CURRENCY HEDGED		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT		
Establishment fee: The fee to open your investment	Nil	Not applicable.
Application/Contribution fee: The fee on each amount contributed to your investment	Authorised Participants: \$750 plus 0.02% of the value of the application amount Investors who buy Units on the ASX: Not applicable	Payable only by Authorised Participants together with the application amount.
Withdrawal fee: The fee on each amount you take out of your investment	Authorised Participants: \$1,500 plus 0.02% of the value of the redemption amount Investors who sell Units on the ASX: Not applicable	Payable only by Authorised Participants. This fee will be deducted from the redemption proceeds.
Exit fee: The fee to close your investment	Nil	Not applicable.
Management costs¹: The fees and costs for managing your investment	Capped (while this PDS is current) at 0.49% p.a. of the Fund's Net Asset Value	Management costs are paid directly from the assets of the Fund and are reflected in the daily Net Asset Value per Unit. Management costs are calculated and accrued daily as a percentage of the Fund's Net Asset Value and are payable monthly on or after the first day of the following month.
Service fees Switching fee: The fee for changing investment options	Nil	Not applicable.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below. All fees and costs in the table above include Goods and Services Tax (GST) net of any input tax credits.

¹ Certain additional costs apply. For more information, refer to explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below.

3. By deleting section 4.2 and replacing it with the following:

4.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs for this managed investment product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

TABLE 4.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE	AMOUNT	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES	\$0 if you are not an Authorised Participant; or \$750 plus 0.02% of the value of the application amount if you are an	For every additional \$5,000 you put in, you will be charged: \$0 if you are not an Authorised Participant; or \$751 if you are an Authorised Participant.

Authorised Participant.

PLUS MANAGEMENT COSTS²	0.49% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$245 each year.
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EQUALS COST OF FUND

If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000³ during that year, you would be charged fees of \$245 (if you are not an Authorised Participant) or \$996 (if you are an Authorised Participant).

What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$1,500 plus 0.02% of the value of the redemption amount. Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

¹ Please note that the minimum investment in the Fund by an Authorised Participant is \$1,000,000 unless the Responsible Entity agrees otherwise.

² Certain additional costs apply. For more information, refer to explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below.

³ Assumes \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

FATCA was enacted in 2010 by the U.S. Congress and has important implications for financial institutions globally including investment entities such as the Fund.

As a consequence, the PDS is amended as follows:

4. By inserting the following section after section 8.1.6:

8.1.7 Foreign Account Tax Compliance Act ("FATCA")

FATCA was enacted in 2010 by the U.S. Congress, to target non-compliance by US taxpayers using foreign accounts. FATCA has important implications for financial institutions globally, including an obligation to:

- (a) identify US accounts and report information relating to US accounts to the Internal Revenue Service ("IRS"); and
- (b) withhold 30% FATCA tax on US connected payments to non-participating foreign financial institutions ("FFIs") (that is, where the FFI has not entered into a relevant 'compliance reporting' Agreement with the IRS in the US).

FATCA withholding is due to commence on 1 July 2014 and affected FFIs can include investment entities such as the Fund.

On 28 April 2014, Australia entered into an Intergovernmental Agreement with the US to improve international tax compliance and implement FATCA (the "IGA"). The IGA will allow Australian resident financial institutions that are investment entities (such as the Fund) to register as a Registered Deemed - Compliant Foreign Financial Institution with the IRS in the US. This will ensure that there is:

- (a) No requirement for the Fund to enter a compliance agreement directly with the IRS in the US; and
- (b) No requirement to withhold 30% FATCA withholding tax on US connected payments made to the Fund in Australia.

Exposure draft legislation has also been released by the Australian Treasury which will give domestic effect to Australia's obligations under the IGA.

In accordance with IGA and proposed Australian domestic laws, the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) will be required to:

- (a) register with the IRS;
- (b) conduct appropriate due diligence procedures, and
- (c) collect and report information to the Australian Taxation Office ("ATO") relating to U.S. Reportable Accounts and payments to Non-participating Financial Institutions (rather than the IRS), which may be exchanged with the IRS.

Accordingly, the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) may request that you provide certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) to comply with its Australian tax obligations.

We note, that in the event the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor BetaShares Capital Ltd acting on behalf of the Fund will be required to compensate you for any such tax, except in exceptional circumstances.